GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1090
ANSWERED ON:21.07.2017
Timelimit of Anti-Profiteering Clause of GST
Singh Shri Rakesh

Will the Minister of FINANCE be pleased to state:

(a) Whether the Government has taken any measures to pass-on the benefits of reduction of tax as a result of implementation of Goods and Service Tax (GST) to the consumers, and if so, the details thereof;
(b) Whether there is an apprehension of traders engaging in profiteering due to change in rates and if so, the details thereof;
(c) Whether the anti-profiteering clause has been included for a limited time period to check profiteering and if so, the details thereof;
(d) Whether the Government is likely to consider extending the time limit of the said clause, if so the details thereof?

Answer

MINISTER OF STATE FOR FINANCE
(SHRI SANTOSH KUMAR GANGWAR)
(a) Section 171(2) of the Central Goods and Services Tax Act, 2017 provides for the constitution of a National Anti-profiteering Authority or empower an existing Authority constituted under any law for the time being in force, to examine whether input tax credits availed by any registered person or the reduction in the tax rate have actually resulted in a commensurate reduction in the price of the goods or services or both supplied by him.
(b) No. Section 171(1) of the Central Goods and Services Tax Act, 2017 clearly lays down the principle to be followed by the traders which is that any reduction in rate of tax on any supply of goods or services or the benefit of

input tax credit shall be passed to the recipient by way of commensurate reduction in prices.
(c) & (d) As per Rule 137 of the Central Goods and Services Tax Rules, 2017, the National Anti-profiteering Authority shall cease to exist after the expiry of two years from the date on which the Chairman enters upon his office unless the Goods and Services Tax" Council recommends otherwise. Thus, the extension of the time limit shall be decided by the GST Council.